

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 952

IN THE MATTER OF:

Served June 4, 1969

Application of D. C. Transit)	Application No. 566
System, Inc., for Release of)	
Funds in "Reserve for Commis-)	
sion Ordered Projects".)	

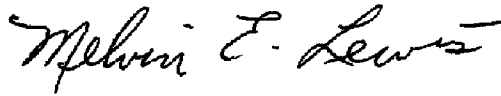
D. C. Transit System, Inc. ("Transit") has filed formal application with this Commission to authorize the release of the balance in its "Reserve for Commission Ordered Projects". Approval of this application would permit Transit to remove funds in the amount of \$94,657.48 now held in escrow, and transfer same to the general cash accounts of Transit, to be utilized toward the liquidation of its regular operating liabilities.

The Reserve for Commission Ordered Projects, and its accompanying escrow fund, came into existence by WMATC Order No. 773 served January 26, 1968. The original amount established by that order was \$141,674 representing revenues contributed by ratepayers to cover depreciation expense on new buses which were proposed to be placed in service during the last six months of 1967, but were not in fact placed in service. The Commission thought that the establishment of a special reserve would provide a beneficial means of recouping those revenues for the ratepayer, if expenditure of those funds was limited by the Commission to the furtherance of service improvement projects. Accordingly, the Commission has permitted the expenditure of \$25,000 to finance a special study by outside consultants of bus service problems in Montgomery County, Maryland, and the amount of \$22,016.52 representing the net cost of a six month experiment with express service between the far southeast and far northeast sections of Washington to outlying sections of northwest Washington.

The Commission continues to believe in the premise that the proper method of adjusting for depreciation expenses allowed and not utilized is to expend the funds involved for projects of specific and visible benefit to the fare-paying patron.

THEREFORE, IT IS ORDERED, that the application of D. C. Transit System, Inc., to remove \$94,657.48 from the "Reserve for Commission Ordered Projects" and from its accompanying escrow fund, be, and it is hereby, denied.

BY DIRECTION OF THE COMMISSION:

A handwritten signature in cursive script, reading "Melvin E. Lewis".

MELVIN E. LEWIS
Executive Director